

## Old Age, Disability, Death

First laws: 1927 (salaried employees) and 1933 (wage earners).  
Current law: 1998 (implemented 1999).

Type of program: Dual social insurance system and mandatory private insurance.

**Exchange rate:** U.S.\$1.00 equals 3.41 zlotys.

*Note:* A new system consisting of a modified social insurance plus individual accounts was implemented in April 1999.

Those under age 30 must join the new system while those older than 30 but younger than 50 may choose to stay in the old while those born before January 1, 1949 must remain in the old system.

### Coverage

Employees, members of cooperatives, self-employed artisans, home-workers, attorneys, and clergy. Special systems for independent farmers.

### Source of Funds

**Insured person:** 9.76% of current salary for old-age and survivors and 6.5% for disability.

**Employer:** 9.76% of payroll for old-age and survivors and 6.5% for disability.

**Government:** Funds guaranteed minimum pension.

### Qualifying Conditions

**Old-age benefit:** Age 65 (men) or 60 (women), 25 years' (men) or 20 years' (women) of insurance; age requirement reduced for dancers, acrobats, miners, underground or unhealthy work, teaching, aviation, and maritime employment.

Pensionable age reduced by 5 years: for women with 30 years of insurance, for war veterans, and the disabled. No age requirement for unemployed due to economic cutbacks with 40 years of insurance (men) or 35 years (women), and for persons with 25 years of insurance (men) or 20 years (women) who cease work to care for disabled child. Partial retirement necessary.

**Disability benefit:** Total disability (incapacity for any work) or partial disability (greatly impaired earning capacity or total incapacity for usual work). 5 years of employment during last 10 years (1-4 years if under age 30); disability occurred during the course of employment or within 18 months of cessation of work.

**Survivor benefit:** Deceased was pensioner, or met employment requirement for disability or old-age pension at death.

### Old-Age Benefits

**Old system—Old-age pension:** 24% of average national salary; 1.3% of worker's earning base times number of contribution years; and 0.7% of worker's earnings' base times number of credit years (e.g. for bringing up children). Credit years may not exceed 1/3 of contribution years. Average national salary: 1,1327.44 zlotys. Worker's earnings base for pension purposes: average monthly earnings over 10 consecutive years, chosen by the applicant from among 19 years prior to year of pension application or 20 years of professional career.

Maximum earnings for benefit purposes: 250% of average national salary (June 1999).

Constant-attendance supplement: 115.67 zlotys a month (June 1999). Adjustment: Automatic adjustment of pensions to compensate for inflation (according to average national salary increase if higher than 10% over three-month period).

Minimum pension: 451.11 zlotys a month (June 1999).

**New system—Old-age pension:** Social insurance, based on average pay in the 10 consecutive calendar years prior to retirement.

Minimum pension, 28% of current average pay.

Private pension, insured purchases an annuity with funds from individual account.

### Permanent Disability Benefits

**Disability benefit** (same for both systems): In case of total disability the benefit is calculated in the same way as old-age pension.

Constant-attendance supplement: 115.67 zlotys a month (June 1999).

Partial disability pension: 75% of the amount of total disability pension.

Minimum pension: Total disability, 451.11 zlotys a month (June 1999). Partial disability, 347 zlotys a month (June 1999).

### Survivor Benefits

Old system—survivor benefit: First survivor, 85% of pension due deceased. Two survivors, 90%; three or more, 95%. If deceased was not eligible for old age pension, then criteria for total disability pension form basis for assessment of survivor pension. Supplement for full orphans: 217.40 zlotys a month.

Funeral grant: 3,197.04 zlotys.

Minimum pension: Same as for old-age benefit.

**New system—survivor benefit:** Depends on type of annuity purchased by insured.

### Administrative Organization

**Old system:** Ministry of Labor and Social Policy, general supervision.

Ministry of Agriculture, general supervision of the system for farmers.

Social Insurance Institute (ZUS), administration of program through 51 branch offices.

The Institution and branch offices are supervised by boards composed of 15 representatives: 5 insured, 5 employer and 5 government.

Agricultural Social Security Fund, administration of program for farmers.

**New system:** ZUS, administration of program.

Pension fund supervision office (UNFE), oversees private pension funds.

## Sickness and Maternity

First laws: 1920.

Current laws: 1974 and 1998 (implemented 1999).

Type of program: Social insurance system. Cash and medical benefits only.

### Coverage

Employees, members of cooperatives for farmers, artisans, and those connected with agricultural circles, self-employed artisans, attorneys, and homeworkers. Pensioners and other self-employed,

including farmers, covered only for medical benefits. Special systems for farmers, military, and police.

#### Source of Funds

**Insured person:** 9.45% of earnings (2.45 for cash sickness and 7% for medical benefits).

**Employer:** None.

**Government:** Subsidies for medical benefits.

#### Qualifying Conditions

**Cash sickness and maternity benefits:** Currently in insured employment.

**Medical benefits:** Currently in insured employment or pensioner.

#### Sickness and Maternity Benefits

**Sickness benefit:** 80% of earnings averaged over preceding 6 months, 100% of earnings if incapacity arises during pregnancy or continues beyond 90 days. Payable from 1st day of incapacity for up to 26 weeks (may be extended to 39 weeks if recovery likely). May be followed by rehabilitation benefit for up to 12 months at 75% of earnings, if recovery likely. Employer pays first 35 days.

**Maternity benefit:** 100% of earnings; payable for 16 weeks for first birth, 18 weeks for subsequent births, and 26 weeks for multiple births. Followed by leave of 24 months (36 months for single parent) to 72 months (if child disabled); payment set at 264.90 zlotys per month (421.30 zlotys for single parent) adjusted every three months (June 1999).

#### Workers' Medical Benefits

**Medical benefits:** Medical services provided directly to patients by private health care providers contracted by health care funds. Includes general and specialist care, hospitalization and basic prescription drugs. Government provides partial subsidy for basic prescription drugs. Patients free to choose doctor and hospital. Duration: No limit if employer. If employment ceases, 26 weeks (may be extended to 39 weeks).

#### Dependents' Medical Benefits

**Medical benefits for dependents:** Same as for insured.

#### Administrative Organization

Ministry of Labor and Social Policy, general supervision of cash benefits.

Social Insurance Institute, administration of cash benefits.

Employers of more than 20 workers pay benefits to own workers and deduct from contributions due.

Ministry of Health and Social Assistance, general supervision of medical care.

Regional health fund councils, operation and financing of individual health care funds.

### Work Injury

First law: 1984.

Current laws: 1975 and 1991.

Type of program: Social insurance system.

#### Coverage

Employees, collective farmers, members of cooperatives for artisans and cooperatives connected with agricultural circles, self-employed artisans, attorneys, and homeworkers.

Special systems for individual farmers, military, and police.

#### Source of Funds

**Insured person:** None.

**Employer:** 1.62% of payroll.

**Government:** Whole cost of medical care.

#### Qualifying Conditions

**Work-injury benefits:** No minimum qualifying period.

#### Temporary Disability Benefits

**Temporary disability benefit:** 100% of earnings.

Payable from 1st day of incapacity for up to 26 weeks (may be extended to 39 weeks).

#### Permanent Disability Benefits

**Permanent disability benefit:** Total disability, calculated as in the case of normal disability pension; however it cannot be lower than 80% of individual average monthly earnings taken as the basis for assessment.

Constant-attendance supplement: 115.67 zlotys a month.

Partial disability, same as normal partial disability pension, but not less than 60% of assessed earnings.

Minimum pension: 120% of normal minimum disability pension.

#### Survivor Benefits

**Survivor pension:** One survivor, 85% of the benefit calculated as a work injury disability pension (total disability) due to an insured person who died. Two survivors, 90%; three or more survivors, 95%.

#### Administrative Organization

Ministry of Labor and Social Policy, general supervision.

Social Insurance Institute, administration of cash benefits.

Ministry of Health and Social Welfare, provision of medical benefits through its own clinics and hospitals.

Agricultural Social Security Fund, administration of system for farmers.

### Unemployment

First law: 1924.

Current law: 1991, 1994.

Type of program: Social insurance system.

#### Coverage

Employed persons.

#### Source of Funds

**Insured person:** None.

**Employer:** 3% of payroll.

**Government:** Any deficit.

### Qualifying Conditions

**Unemployment benefit:** Registered with employment bureau. 180 days of employment in past year or having completed studies, newly released from military, having completed maternity leave, or released from prison.

### Unemployment Benefits

**Unemployment benefit:** Base amount (393.90 zlotys since June 1999) for those with between 5 and 20 years of employment. 80% of base amount if less than 5 years. 120% of base amount for more than 20 years. Payable for 6-18 months, depending on the unemployment rate in the region.

### Administrative Organization

Ministry of Labor and Social Policy, general supervision.  
*Voivodships* (provinces) and local labor bureaus keep registry of unemployed and work possibilities; pay benefits. The Institute of Social Security collects payroll contributions from enterprises.

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Agricultural Social Security Fund, administration of program for farmers.

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## Family Allowances

First law: 1947.

Current law: 1994.

Type of program: Universal means-tested.

### Coverage

All residents.

### Source of Funds

**Insured person:** None.

**Employer:** None.

**Government:** Total cost.

### Qualifying Conditions

**Family allowances:** Child must be under age 16, or 20 if student.

There is no limit if totally disabled.

Dependent spouse's allowance: Wife over age 60 or disabled or caring for disabled child; husband over age 65 or disabled caring for disabled child.

Income per person must be less than 50% of national average salary during previous trimester.

### Family Allowance Benefits

**Family allowances:** 35.30 zlotys a month for eligible spouse and for 1<sup>st</sup> and 2<sup>nd</sup> child; 43.70 zlotys for 3<sup>rd</sup> child; 54.60 zlotys for 4<sup>th</sup> and subsequent children. Sick child's constant-attendance allowance: 115.67 zlotys a month.

Birth grant: 239.78 zlotys a month.

### Administrative Organization

Ministry of Labor and Social Policy, general supervision.

Ministry of Agriculture, general supervision of the system for farmers.

Social Insurance Institute, administration of program through its 51 branch offices.

The Institution and branch offices are supervised by boards composed of 15 representatives: 5 insured, 5 employer and